

one wonderful way to remember a man who gave his life for his country who happened to be a Marine, but Mr. Speaker, I wonder if it would not mean more to his children, 10 and 15 years down the road, if the second post behind it, I have had an enlargement made of what it should be, which it says at the top, Mr. Speaker, it says the Secretary of Navy and Marine Corps, with the Navy flag and the Marine flag.

Mr. Speaker, this is what it is all about. This is a team, and I think it is time that the House, which has for 3 years, and now the Senate, seriously look at making the Department of Navy, Navy and Marine Corps, and I hope that this will be the year, 2005, that this will happen.

Again, I want to praise everyone in uniform, whether it be Army, Navy, Marine Corps, Air Force, and thank them for their service.

Mr. Speaker, as I close tonight, I want to say, I ask the good Lord to bless our men and women in uniform and their families. I ask God to please bless the families who have lost loved ones, in His loving arms to hold them, and God, I ask the good Lord to please bless America, to please bless the House and Senate that we will do what is right. I ask God to bless the President with wisdom, strength and courage to do what is right for this Nation. Three times I ask God bless, God bless, God bless America.

ORDER OF BUSINESS

Mr. EMANUEL. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore (Mr. DANIEL E. LUNGREN of California). Is there objection to the request of the gentleman from Illinois?

There was no objection.

ASSET PROTECTION TRUST LOOPHOLE IN BANKRUPTCY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, as the House takes up the bankruptcy legislation, a glaring loophole remains untouched in this so-called reform bill. It is known as the Millionaire's Loophole. It is a proven windfall for the very wealthy and the very well connected. It was created by five States that passed laws exempting asset protection trusts from the Federal bankruptcy code.

These trusts allow wealthy individuals to stash funds, often in offshore accounts, for the purpose of hiding their assets from creditors after they declare bankruptcy.

What we are, in fact, doing in this bill is creating two bankruptcy laws, one for the well-connected and one for middle class families. Middle class families, over half of them who declare bankruptcy, do it because of health

care costs, and they are forced because of higher hospital costs or other type of health care expenses they did not expect and they do not have coverage, they seek bankruptcy protection. The wealthy, they have a special loophole here that protects their assets, wherever they may be, and sometimes in foreign accounts, and therefore, they have a bankruptcy law, one that treats them and all of their assets with a certain standard and another one that treats middle class families who are usually facing a health care crisis. That is not the way this legislation should be drafted.

We should have one bankruptcy bill for every American, not two bankruptcy bills, one for the very wealthy and connected and one for middle class families struggling with health care costs.

Whether the assets are villas, yachts, investments or a suitcase full of cash, they are untouchable in bankruptcy reorganizations for the well-to-do. Neither creditors nor the courts can reach into the asset protection trusts.

As one bankruptcy expert observed in the Wall Street Journal, "With this loophole, the rich won't need to buy houses in Florida or Texas to keep their millions."

What is ironic here is the bankruptcy bill is titled The Bankruptcy Abuse Prevention and Consumer Protection Act. If this loophole is not abuse, what is? While the bill keeps asset protection trusts in place, it makes it very hard for those who fall behind to work themselves out of the financial trouble they face.

More than half of all the bankruptcies in America are the result of catastrophic medical bills. Middle class families cannot pay. Rather than dealing with the health care crisis of uncontrollable costs, of lack of coverage, what has the infinite wisdom of this Congress done? Decided to come up with a bankruptcy piece of legislation that treats the wealthy one way and with one standard of protection and throws the middle class in front of the train, but if you can afford a high priced lawyer to set up an offshore trust, you are better off in bankruptcy court than if you are a middle class family trying to pay off of a massive hospital bill.

The right way to address this problem is to have bankruptcy legislation that treats every American the same, regardless of circumstance, regardless of income. That is not what this legislation does.

My colleague and I, the gentleman from Massachusetts (Mr. DELAHUNT) are offering an amendment to deal with this in the Committee on the Judiciary and to address this discrepancy in the law, but by preserving the asset protection trust loophole, the bankruptcy bill is protecting wealthy deadbeats from the same punishment, the same standards, the same rule of law that the legislation imposes upon every American, regardless of income.

Regrettably, the Senate voted down an amendment to close this loophole. We are going to be offering this amendment both in the Committee on the Judiciary as well as in the full House. I am glad that my colleague, the gentleman from Massachusetts (Mr. DELAHUNT), has joined me in this effort.

Our legislation would force the wealthy individuals and well-connected who are trying to cheat the system to limit the funds they can protect to a maximum of \$125,000, and importantly, this amendment does not affect retired Americans or take anything away from their nest egg and retirement security. It specifically carves out an exemption for retirees. It also protects charitable, educational and other trusts set aside for legitimate purposes.

Mr. Speaker, what kind of values does our bankruptcy code reflect when the abuses of the wealthy deserve more leeway than middle class families struggling with health care costs? We must address this discrepancy and these double standards continuously. We have it in our tax code. We have it in our educational system. We have it in our laws which allow our American corporations to set up in Bermuda and avoid taxes here in the country while middle class families struggle. We should not have bankruptcy legislation pass the United States Congress that sets up two laws, one that can afford lawyers and accountants to protect them and another one that is struggling and middle class families that are struggling to pay health care costs.

We can do better. It is time that this Congress show the wisdom to understand that every American will have the same laws applied to itself regardless of income.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

(Mr. OSBORNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to speak out of turn and take the gentleman from Oregon's (Mr. DEFAZIO) time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.